

## DEPARTMENT OF COMMUNITY SERVICES AND DEVELOPMENT

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Sacramento, CA 95812-1947  
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April 22, 2011

To All Low-Income Home Energy Assistance Program Contractors:

2010 Low-Income Home Energy Assistance Program Contract (LIHEAP) Amendment

Enclosed is your agency's packet for an Amendment to the 2010 Low-Income Home Energy Assistance Program Contract. It includes two complete copies of the amendment (face sheet and new replacement Exhibit B). In order to expedite the execution of your amendment packet, please observe the following instructions, and feel free to use this letter as a checklist.

☐ Complete the section labeled "CONTRACTOR'S NAME" on both face sheets. Print or type the name and title of the person who is authorized to sign the amendment. Print the date signed. Ensure that your agency's authorized representative has signed both face sheets.

☐ The following exhibit is part of the amendment packet. Please return both copies.

EXHIBIT B, Section 2. D., Working Capital Advance and Major Purchase Advances has been changed.

Replace in its entirety with new EXHIBIT B Attached.

☐ Do not use correction fluid or tape. If a correction to any page is necessary, please contact your Field Representative. If you need to reproduce the amendment's pages, please do so single-sided only.

☐ When you return the amendment packet to CSD, please arrange all pages, including the face sheets and new Exhibit B's in the same order in which you received them.

☐ Please return your completed contract packet within 30 days (45 days for public agencies) to:

Contract Services Unit  
Department of Community Services and Development  
P.O. Box 1947  
Sacramento, CA 95812-1947

When sending documents via overnight mail, please use CSD's street address as shown below:

Contract Services Unit  
Community Services and Development  
2389 Gateway Oaks Drive  
Sacramento, CA 95833

Please keep in mind that in order for CSD to execute your amendment, all of your agency's amendment documents must be **complete**. Authorized persons must sign both face sheets.

If you have questions regarding the amendment process, you may contact Linda Goddard of my staff at (916) 576-4352.

Sincerely,



KIMBERLEY PETZ  
Manager, Contract Services Unit

KP:lg  
Enclosures



## STANDARD AGREEMENT

STD. 213 (Rev. 6/03)

## SAMPLE AMENDMENT

AGREEMENT NUMBER <b>10B-</b>	AMENDMENT NUMBER <b>Various</b>
REGISTRATION NUMBER	

1. This Agreement is entered into between the State Agency and the Contractor named below

STATE AGENCY'S NAME

**Department of Community Services and Development**

CONTRACTOR'S NAME

**Provider**

2. The term of this Agreement is: January 1, 2010 through December 31, 2011

3. The maximum amount of this Agreement is: \$

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement:

A. The maximum amount of this Agreement payable to the Contractor by the State remains unchanged.

B. The term of this Agreement has been changed from January 1, 2010 through June 30, 2011 to January 1, 2010 through December 31, 2011.

C. This amendment changes Exhibit B, Section 2. D., Working Capital Advance and Major Purchase Advances.

Replace Exhibit B in it's entirety with the revised Exhibit B attached.

All other terms and conditions shall remain unchanged.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

## CONTRACTOR

CALIFORNIA  
Department of General Services

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

**Provider**

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

ADDRESS

**Provider Address**

## STATE OF CALIFORNIA

AGENCY NAME

**Department of Community Services and Development**

BY (Authorized Signature)

DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

**Leisa Maestretti, Chief Financial Officer**

ADDRESS

**2389 Gateway Oaks Drive, Suite 100, Sacramento, California 95833**
☐ Exempt per \_\_\_\_\_

**EXHIBIT B**  
**(Standard Agreement)**

**BUDGET DETAIL AND PAYMENT PROVISIONS**

1. **BUDGET CONTINGENCIES**

A. State Budget Contingency

- 1) It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- 2) If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

B. Federal Budget Contingency

- 1) It is mutually understood between the parties that this Agreement may have been written for the mutual benefit of both parties before ascertaining the availability of congressional appropriation of funds, to avoid program and fiscal delays that would occur if this Agreement were executed after that determination was made.
- 2) This Agreement is valid and enforceable only if sufficient funds are made available to the state by the United States Government for the fiscal year 2009-2010 for the purpose of this program. In addition, this Agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress or to any statute enacted by the Congress that may affect the provisions, terms, or funding of this Agreement in any manner.
- 3) The parties mutually agree that if the Congress does not appropriate sufficient funds for the program, this Agreement shall be amended to reflect any reduction in funds.
- 4) The Department has the option to invalidate the Agreement under the 30-day cancellation clause or to amend the Agreement to reflect any reduction in funds.
- 5) The State shall authorize expenditures of funds under this Agreement based on the Continuing Resolution appropriations. CSD shall notify the Contractor in writing of authorized interval funding levels.

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- 6) It is mutually agreed that if the Congress does not appropriate sufficient funds for this Program or appropriates additional funds, this Agreement shall be amended to reflect any increase or decrease in funds.

2. BUDGET GUIDELINES

A. Budget and Allocation Forms

- 1) Upon execution of this Agreement, Contractor shall submit all budget and allocation forms attached to this EXHIBIT B, including the 2010 LIHEAP Weatherization Budget (CSD 557D), 2010 LIHEAP Program Budget (CSD 537E), and 2010 LIHEAP Nonconsideration Allocations (CSD 516), based on the Maximum Amount of this Agreement and in accordance with the accompanying instructions and other applicable provisions of this Agreement.
- 2) In the event the LIHEAP annual grant award is yet to be determined and CSD funds this Agreement based on Continuing Resolution appropriations, Contractor shall complete the budget and allocation forms using the Estimated Budget Allocation amount as defined in EXHIBIT G. When this Agreement is amended to reflect the Final Allocation, the budget and allocation forms shall be amended to reflect the actual annual allocation.

B. Weatherization Waiver

Weatherization consideration to be paid Contractor for the months of January, February, March, and April, if applicable, will be calculated and reimbursed to Contractor to include administrative costs on sixty percent (60%) of the total Weatherization budget based on the Interim Allocation and/or Final Allocation as appropriate. The remaining forty percent (40%) of the total budget for the remaining months to include administrative costs is totally contingent upon a Weatherization waiver being granted to CSD by the Federal Department of Health and Human Services (HHS) to allow Weatherization expenditure levels at twenty five percent (25%) of the federal LIHEAP grant. Contractor will be notified by CSD, in writing, on the status of the waiver and disposition of the remaining funding.

C. Nonconsideration Allocation

The total nonconsideration payable by the State to Contractor under this Agreement shall be allocated as shown on EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT III, 2010 LIHEAP NONCONSIDERATION ALLOCATIONS (CSD 516).

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1) Energy Crisis Intervention Program (ECIP): Electric and Gas (Fast Track)

The total amount allocated to the ECIP Fast Track Program shall not be included in the Maximum Amount of this Agreement but shall be for Contractor's use in accordance with the terms of this Agreement.

2) Home Energy Assistance Program (HEAP): Electric and Gas Allocation

The total amount allocated to the HEAP Electric and Gas Program shall not be included in the Maximum Amount of this Agreement but shall be for Contractor's use in accordance with the terms of this Agreement.

D. Working Capital Advance and Major Purchase Advances

1) Working Capital Advance (WCA)

Contractor may, in accordance with applicable law, receive WCA payments of allowable program costs contemplated under this Agreement, *provided* Contractor shall comply with the provisions of the present Paragraph D and such additional guidance issued by the State as is needed to implement Paragraph D (collectively "WCA Requirements") to ensure that:

- a. The time elapsing between the transfer of funds and the disbursement or expenditure of the funds by Contractor is minimized; and
- b. Contractor's financial management systems are compliant with the provisions of this Agreement and the standards for fund control and accountability as established in OMB Circular A-133 and in the Model Federal Advance Requirements as defined in subparagraph c., below with particular reference to 10 CFR 600.121.
- c. Working Capital Advance (WCA) Requirements include the following standards:
  - i. The WCA shall be for the minimum amounts necessary-timed in accordance with Contractor's immediate cash requirements-which will enable Contractor to carry out the purposes of this Agreement;
  - ii. The *Model Federal Advance Requirements* are hereby incorporated by reference and adopted by the parties, for purposes of guiding and informing WCA requirements under the Agreement. The "Model Federal Advance Requirements" are defined as the provisions set out in the Code of Federal Regulations (CFR), Title 10, Chapter II, Sections 600.122, 600.220 and 600.221; and

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- iii. Guidance issued by the State regarding the scheduling of the WCA and the disbursement or expenditure of the funds by Contractor, while conforming to the requirements of subparagraphs 1) and 2) of the present Paragraph D, shall also take into account the practical requirements and limitations of efficient administration and the effective implementation of this Agreement by both Contractor and the State.
- d. In order to effect the purposes and requirements of subparagraphs 1) a. and b. above, the State has established the following general provisions in order to give effect to the WCA Requirements set out in this Agreement and in such supplemental guidance as may be issued:
  - i. To ensure a minimal lapse of time between the transfer of funds, and the disbursement or expenditure by Contractor, and to effect both the consolidation of advance requests and optimal administration of advance payments, the WCA will be based on Contractor's reasonable quarterly projections of anticipated expenditures allowable under the terms of this Agreement;
  - ii. The WCA request shall be: 1) submitted in advance of the beginning of the quarter, in accordance with CSD's guidance; and 2) is subject to CSD's review and approval;
  - iii. Upon approval of the WCA request, a payment will be issued to Contractor, which shall be limited to one hundred percent (100%) of the Contractor's total projected expenditures for the entire quarter, not to exceed twenty-five percent (25%) of the Contractor's total contract amount;
  - iv. The WCA will be liquidated immediately, and will be reconciled at the end of the third month of each quarter. After issuance of a WCA, the balance will be offset by monthly expenditures in EARS.
  - v. All WCA requests will be issued and reconciled pursuant to CSD Energy Policy and Procedures Number EP 11-01, incorporated by reference to this Agreement and available on the CSD website at [www.csd.ca.gov](http://www.csd.ca.gov).

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- vi. If, at the end of the contract term Contractor has received WCA payments in excess of requests for reimbursement that have been approved by CSD, Contractor shall promptly remit the excess balance owed.
- vii. Upon receipt of the WCA funds, Contractor shall deposit the funds in an interest-bearing advance account, in accordance with the provisions of this Agreement and Federal and State law. The account shall be sufficiently segregated to enable the tracking and accounting of WCA funds by CSD; and
- viii. In the event the State determines that Contractor has used the WCA for reimbursement of expenses that are not allowable under the terms of this Agreement and/or under Federal and State law, the State may, in accordance with the applicable provisions of the CFR, compel Contractor to repay any WCA monies wrongfully used and/or may make such adjustments in future payments to Contractor as it deems appropriate in order to rectify such misuse of WCA funds.

2) Major Purchase Advances

In the event an agency needs significant cash outlay for large purchases, a special advance may be requested at any time during the contract term. Requirements include:

- a. Request must be completed via the Major Purchase Advance Request (CSD 144).
- b. Limited to purchase of items in excess of \$5,000.
- c. No advance will be issued until the Request for Pre-approval of Purchase/Lease (CSD 558) has been approved by CSD.
- d. Procurement must comply with the open and competitive bid process, which must be documented through the Request for Pre-approval of Purchase/Lease (CSD 558).
- e. Advance repayment for Major Purchases will be liquidated upon the first expenditure reporting period following the date of the purchase of the item or items identified in the Request for Pre-approval of Purchase/Lease (CSD 558). An Advance Request (CSD 144) must reflect one-hundred percent (100%) liquidation in the month following the expected date of purchase.



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- f. Major Purchase advance requests will not be granted unless Contractor has fully complied with the obligations and conditions of any Working Capital Advance (WCA) Contractor has received.

3) Special LIHEAP Provisions

In accordance with 22 CCR § 100840 (a) the total amount advanced to Contractor at any time, whether in the form of a Working Capital Advance (WCA) or a Major Purchase Advance, shall not exceed twenty-five percent (25%) of Contractor's total contract amount. Advance amounts repaid may be replaced by additional advances at any time as allowed in the present Paragraph D and corresponding guidance, so long as the aggregate amount advanced does not exceed the limit set out in this sub-paragraph.

E. Non-advance Payments and Offsets

If Contractor elects not to request a WCA, payment for allowable expenses under this Agreement shall be made upon approval by CSD of Contractor's monthly reimbursement and activity reports. If Contractor owes CSD any outstanding balances for overpayments under any contract, current or previous, the balance may be offset, based on arrangements made with the Contractor.

F. ECIP Payments - Electric and Gas (Fast Track)

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of a dual-party warrant, payable to the applicant and the utility company. All payments shall be deducted from Contractor's Nonconsideration allocation.

G. HEAP Payments – Electric and Gas

Payment for applicant's electric and/or gas energy bills shall be made by CSD directly to the utility company or in the form of either a dual-party warrant, payable to the applicant and utility company; or, in the case where the cost of energy is included in applicant's rent, a single-party warrant shall be made, payable to the applicant. All payments shall be deducted from Contractor's Nonconsideration allocation.

H. Interest on Advances

Contractor should deposit all advances in an interest-bearing account. Any interest earned on LIHEAP advances shall be accounted for and expended pursuant to 22 CCR § 100855.

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3. ALLOWABLE COSTS

A. Cost Reporting

All costs shall be reported using a "modified accrual" or "accrual" method of accounting.

B. Administrative

1) General

a. Administrative costs shall not exceed the amounts as set forth in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, Attachments I and II. Contractor shall not use funds provided under this Agreement to cover administrative costs incurred in the Community Services Block Grant (CSBG) in excess of the CSBG contractual limitations.

b. Administrative Costs shall mean actual costs for auxiliary functions such as salaries, wages, workers compensation, and fringe benefits for administrative staff, facilities, utilities, equipment, telephone, travel, accounting, auditing, monitoring assistance, office supplies, and like services necessary to sustain the direct effort involved in administering a grant program or an activity providing services to the grant program.

2) Local governments shall use 2 CFR Part 225 (OMB Circular A-87, Cost Principles for State and Local Governments) as a guide for determining administrative costs.

3) Private, nonprofit corporations shall use 2 CFR Part 230 (OMB Circular A-122, Cost Principles for Nonprofit Organizations) as a guide for determining administrative costs.

4) Assurance 16, ECIP, and HEAP

Administrative costs for Assurance 16, ECIP, and HEAP shall not exceed the amount as set forth in the allocation spreadsheet incorporated by reference and available on the CSD website at [www.csd.ca.gov](http://www.csd.ca.gov), and is contingent upon the expenditure of cumulative allowable expenditures for Assurance 16, ECIP and HEAP.

5) Weatherization

Weatherization administrative costs shall not exceed eight percent (8%) of the total Weatherization budget expenditures.

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6) Travel

Travel and per diem costs related to the participation and attendance at policy advisory committees and work groups will be reimbursed by CSD as an administrative cost, upon submittal of an allowable claim to CSD.

C. Program Costs

1) General

Program costs are all allowable costs other than Administrative Costs. Program costs include those actual costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by CSD for the purpose of delivering services.

2) Outreach

Outreach shall be allocated at five percent (5%) each of the Weatherization, ECIP Consideration/Nonconsideration, and HEAP Consideration/Nonconsideration budgets based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual expenditures utilized for Outreach not to exceed the Final Allocation.

3) Intake

Intake shall be allocated at two percent (2%) of the Weatherization Budget and two percent (2%) of the ECIP/HEAP Consideration/Nonconsideration Budget based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to two percent (2%) of Final Allocation. Intake in excess of two percent (2%) may be charged as an administrative cost not to exceed allowable administrative cost maximum.

4) Assurance 16 Costs

Assurance 16 shall be allocated at five percent (5%) based on the Interim Allocations and/or subsequently the Final Allocation. Reimbursement shall be limited to actual cost up to five percent (5%), contingent upon the expenditure of the Final Allocation.

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5) Direct Program Activities

Direct Program Activities shall mean those costs associated with the installation of measures to those dwellings weatherized and reported as completed, to include labor, materials, subcontractors, disposal fees, permits, HERS raters, lead-safe weatherization materials, and travel.

6) Historic Preservation Reviews

Historic Preservation Reviews means those expenses associated with the collection and reporting of potential weatherization properties subject to Historic Preservation Review requirements pursuant to Exhibit F Section 6 of this Agreement.

7) ECIP Emergency Heating and Cooling Services (EHCS)

ECIP EHCS shall mean those costs associated with emergency heating and cooling repair and replacement services and other related costs, including costs associated with disposal fees, permits, Home Energy Rating System (HERS) raters, lead-safe weatherization materials, and travel, all as further defined by the ECIP Policy and Procedures at EXHIBIT F, ATTACHMENT I, and also pursuant to the SWEATS Policy at EXHIBIT F, ATTACHMENT II when authorized by CSD.

8) Workers Compensation

Workers Compensation shall mean those actual costs associated with workers compensation coverage for program staff whose salaries and wages are chargeable under program costs. Workers Compensation for salaries and wages of staff chargeable under administrative costs shall be reimbursable at actual costs under administrative costs.

9) Liability Insurance

Liability Insurance shall mean those actual costs allocated for insurance bonds, general liability, vehicle insurance, and pollution occurrence insurance (if applicable).

10) Training - Weatherization and ECIP-EHCS

- a. Training and technical assistance shall be allocated up to five percent (5%) of the total Weatherization allocation and up to five percent (5%) of the total ECIP/HEAP Consideration Allocation based on the Interim Allocations and/or subsequently the Final Allocation. Training and technical assistance shall not exceed these limits and shall be reimbursed at actual cost.

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- b. If Contractor determines that an increase in the allowable allocation for training and technical assistance is needed to cover the cost of ServTraqLITE or related automation training as specified below, then Contractor must obtain prior approval from CSD to allocate more than five percent (5%) of the Weatherization and five percent (5%) of the ECIP/HEAP consideration allocation for training and technical assistance.
- c. Associated training and technical assistance costs may include costs related to: travel, admission, materials, and actual salaries/wages. On-the-job training is not reimbursable when the labor hours associated with the training are charged to a Weatherization measure for reimbursement.
- d. Crew members participating in on-the-job training or acting in a helper role shall be expensed to training and not to the installation of measures and will be charged at actual cost. The length of time for on-the-job training shall be in accordance with the Contractor's internal training program.
- e. Training and technical assistance shall include costs associated with the completion of Weatherization-related training such as: Lead-Safe Weatherization Training, Basic Weatherization Training, Environmental Hazardous Training, Blower Door Diagnostic Training, and Combustion Appliance Safety Training. Training may also include internal contractor training, safety training, attendance of weatherization-related training to include ServTraqLITE or other forms of training to aid in the development and skill of staff in utilizing and supporting internal program automation systems, and/or workshops sponsored by utility companies, Department of Energy (DOE), CSD, and/or other organizations offering a component of weatherization training.

11) Vehicle and Equipment

Acquisition Costs shall mean the actual costs associated with the purchase of vehicle and equipment over \$5,000 per unit.

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4. REIMBURSEMENT GUIDELINES

A. Claims for Reimbursement

Pursuant to the federal block grant and applicable regulations, Contractor may only claim reimbursements for actual, allowable, and allocable direct and indirect costs. For administrative efficiency during the term of this Agreement, CSD has incorporated fixed fees and other mechanisms for Contractor to use to seek reimbursement for various program services and activities on a monthly basis. At the end of the term of this Agreement, Contractor shall report actual costs incurred for actual expenditures up to any applicable maximum amounts set by this Agreement. Any reimbursements received over and above Contractor's actual costs shall be reported as Excess Income, pursuant to the procedures in Close-Out Report, Section 5. (C) below.

B. Assurance 16

- 1) Assurance 16 costs and its related services include those actual costs that are directly attributable to the performance of this Agreement and that are reasonable and necessary as determined by the State for the purpose of delivering services. Assurance 16 costs shall include needs assessment, client education, budget counseling, and coordination with utility companies.
- 2) Contractor may claim Assurance 16 costs for client education only once when LIHEAP and DOE funds and services are provided concurrently in the same unit.
- 3) Contractor may claim Assurance 16 costs for the occupants of each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim Assurance 16 costs when a safety check of combustion appliances reveals safety hazards that preclude tightening of the envelope.
- 4) Contractor shall not claim Assurance 16 costs for client education unless the dwelling was previously weatherized by nonfederal funds, i.e., regulated or nonregulated utility companies, private-sector funds, etc., or by a weatherization service provider not associated with the provisions of this Agreement. If such circumstances exist, Contractor shall conduct client education and shall claim Assurance 16 costs for the occupants of each eligible unit previously weatherized.

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C. Wood, Propane, and Oil Assistance

1) HEAP WPO

Contractor may claim reimbursement for HEAP WPO expenditures and activities expenditures as required in accordance with the terms of this Agreement.

2) ECIP WPO

Contractor may claim reimbursement for ECIP WPO expenditures (excluding ECIP Fast Track) as required in accordance with the terms of this Agreement.

D. Weatherization and EHCS Specific

1) Contractor may claim reimbursement for Weatherization-related activities under the terms of this Agreement as documented on the Weatherization Building Assessment and Job Checklist (CSD 540) or Contractor's equivalent for each eligible household not previously weatherized.

2) Contractor shall ensure that duplicate billings for the same product or service do not occur.

3) Maximum Reimbursements

a. Contractor shall be entitled to obtain a maximum average reimbursement of \$3,055 per dwelling unit weatherized for applying the energy conservation measures and activities described in EXHIBIT B, BUDGET DETAIL AND PAYMENT PROVISIONS, ATTACHMENT V, Reimbursement Rates for Weatherization and EHCS Activities.

b. In the event that the Governor declares a State of Emergency or Local Emergency under Article 13 or 14 of the Emergency Services Act or any federal official declares an emergency pursuant to 42 UCS 8622(1), the maximum average reimbursement shall be \$3,514 per dwelling unit.

c. For emergency ECIP EHCS provided outside Contractor's normal business hours of operations, Contractor may exceed the maximum cost limits allowed for repair and replacement services. Contractor shall not request reimbursement for more than one heating and/or cooling unit repaired or replaced per household.

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4) Measure Reimbursement

a. General

- i. Reimbursement for Weatherization or EHCS activities shall be claimed only once when LIHEAP and DOE WAP, or any other funding source, are used concurrently in the same unit.
- ii. Contractor may divide the material cost of a single measure among LIHEAP, DOE, or other CSD program when the single measure in question is installed in a dwelling where Weatherization or EHCS services are provided concurrently under these programs.
- iii. For weatherized dwellings where DOE and LIHEAP weatherization services are provided concurrently, Contractor may leverage material and labor costs under multiple LIHEAP weatherization contracts and may leverage material costs under DOE weatherization contracts for each weatherization measure described in EXHIBIT B, ATTACHMENT IV, and the following guidelines:
  - (a) Single Quantity Fixed-Fee Measures – are those weatherization measures described in EXHIBIT B, ATTACHMENT IV, with an assigned fixed-fee reimbursement and limits the maximum quantity of the measure/service to a single item per weatherized dwelling. Such measures can only be performed and charged to a single CSD program and cannot be further leveraged or split with another CSD contract or non-CSD funding source.
  - (b) Multiple Quantity Fixed-Fee Measures – are those weatherization measures described in EXHIBIT B, ATTACHMENT IV, with an assigned fixed unit price per measure and that provide for the installation of multiple quantities of the measure in a single weatherized dwelling. Such measures may only be leveraged with multiple LIHEAP weatherization contracts. Contractor cannot further leverage or split the fixed-fee price for these measures with another CSD contract or another non-CSD funding source.



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- (c) Labor and Material Single Quantity Measures – are those weatherization measures, described in EXHIBIT B, ATTACHMENT IV, where the reimbursement is based on the combined total of labor and material cost and the maximum quantity of the measure is limited to a single item per weatherized dwelling. Contractor may leverage the material and labor costs associated with the installation of these measures between multiple LIHEAP contracts. Contractor may only leverage material costs between LIHEAP and DOE contracts.
- (d) Actual labor hours for weatherization services shall not exceed the cumulative number of hours on the job site and shall be substantiated with client file documentation, job schedules, and payroll time records.
- (e) Labor and Material Measures – are those weatherization measures, described in EXHIBIT B, ATTACHMENT IV, where the measure reimbursement is based on the combined total of labor and material and the quantity of the measure itself is not limited to a specific amount per weatherized dwelling. Contractor may leverage the material and labor costs associated with the installation of these measures with multiple LIHEAP contracts to perform the installation of this type of measure within a single unit provided the combined expenditure reported to each CSD contract does not exceed the dwelling maximum reimbursement for the individual measure. Contractor may only leverage material costs between LIHEAP and DOE contracts. Contractor will be required to provide an accounting of labor, material, and for the quantities installed under each program.
- (f) Contractor may leverage the material and labor costs for ECIP HCS activities in dwellings where ECIP HCS and weatherization services are provided concurrently under multiple LIHEAP contracts. Contractor may only leverage material costs between ECIP HCS and DOE contracts.

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- b. Measure Maximums
  - i. For those Weatherization and EHCS measures that have an established maximum rate, the reimbursement amount shall be equal to the actual labor hours of Weatherization or EHCS crew members at the approved labor rate and the actual cost of the materials up to the maximum rate.
  - ii. Weatherization or EHCS measure costs exceeding the maximum reimbursement limit cannot be offset by charging the cost difference to another weatherization measure, minor envelope repair, or another CSD program.
  - iii. When costs for a measure exceed the maximum reimbursement allowed, Contractor shall obtain prior written approval from CSD to exceed the maximum cost reimbursement and/or quantity limit for weatherization and ECIP HCS measures as described in EXHIBIT B, ATTACHMENT IV. Otherwise, at the Contractor's discretion, Contractor may elect to not provide the weatherization measure/service in the event the total cost exceeds the maximum cost reimbursement.
- c. Assessments and Diagnostics
  - i. Contractor may claim reimbursement for dwelling assessment for each eligible household.
  - ii. Contractor may claim reimbursement for dwelling assessment for each eligible unit not previously weatherized. For dwellings weatherized under this Agreement, Contractor may claim reimbursement for a modified dwelling assessment to perform reweatherization services during the useful life period of the initial dwelling assessment. Once the useful life term has expired for the initial or last performed dwelling assessment, Contractor may claim a full dwelling assessment to perform reweatherization services.
  - iii. If a dwelling was previously weatherized under a nonfederal program, the dwelling and occupant eligibility must be recertified; therefore, Contractor may claim reimbursement for assessment of dwelling and charge for intake.

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- iv. In the case of an unweatherized dwelling where the installation of measures was not feasible and/or the dwelling was not accessible to install measures, Contractor may claim reimbursement for any related assessments and/or diagnostic checks that were performed. Reimbursement for travel is not allowable.
  - v. Contractor may claim reimbursement for dwelling assessment only once when LIHEAP and DOE funds are used concurrently in the same unit.
  - vi. Reimbursement for diagnostic testing for work performed under ECIP EHCS shall be included in the appliance repair or replacement line item for which the testing was performed.
  - vii. Contractor may claim reimbursement for renovator certification, defined as field-related costs associated with performing lead renovator certification for ensuring lead paint safety on weatherized dwellings built prior to 1978.
- d. Labor Reimbursement
- i. Contractor shall use the approved labor rate for all Weatherization crew labor expenses related to the direct delivery of Weatherization and EHCS services. The approved labor rate includes travel time, down time, supervision, inspection, support staff hours, and related operating expenses; therefore, Contractor shall not bill additional labor hours for these costs.
  - ii. Contractor must be able to substantiate all actual labor hours and labor costs charged.
  - iii. Actual labor hours for weatherization services shall not exceed the cumulative number of hours on the job site and shall be substantiated with client file documentation, job schedules, and payroll time records.
  - iv. If Contractor compensates Weatherization or EHCS crew members using piecework as an alternative to hourly wages or salaries, Contractor shall contact CSD for instructions prior to commencing with services for the current program year.

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- v. For weatherization measure and specialty work activities in projects where LIHEAP and/or ECIP EHCS and American Recovery and Reinvestment Act of 2009 DOE WAP are leveraged, Contractor shall use the approved labor rates included in EXHIBIT D, ATTACHMENT VI, Approved Labor Rates for Units Leveraged with DOE ARRA, for reimbursement purposes.
- vi. Assessments and Diagnostics  
  
Contractor may claim reimbursement for renovator certification, defined as field-related costs associated with performing lead renovator certification for ensuring lead paint safety on weatherized dwellings built prior to 1978.
- vii. Actual Labor Hours
  - (a) For measures that are not reimbursed by fixed fees, Contractor shall bill the number of actual labor hours associated with the installation of Weatherization and EHCS measures for the time spent at the job site.
  - (b) Contractor shall bill the actual labor hours incurred by Weatherization and EHCS crew members or other personnel associated with the direct facilitation of the disposal of appliances, the procurement of permits, and services performed by a HERS Program Rater.
- viii. Other Labor
  - (a) Labor hours for other personnel are billable only if there are no billable hours for Weatherization or EHCS crew members for these services. The approved labor rate will be allowable for Weatherization and EHCS crew members only.

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- (b) When the installation of a measure is subcontracted and there are no billable labor hours for Weatherization or EHCS crew members, Contractor shall bill, in addition to the subcontracted expenditure, actual labor hours incurred by other personnel associated with the direct facilitation of that subcontracted measure. The approved labor rate will not be allowable for other personnel under these circumstances. A modified fixed fee labor rate determined by the Contractor or actual labor costs shall be used. Any modified fixed fee labor rate that is to be used must be submitted for CSD for approval prior to requesting reimbursement for these costs.
  - (c) When the installation of a measure is subcontracted and there are billable labor hours for Weatherization or EHCS crew members who share in the installation of that subcontracted measure, Contractor shall bill, in addition to the subcontracted expenditure, the actual labor hours incurred by crew members at the approved labor rate.
- e. Heating and Cooling Services (HCS/EHCS)
  - i. If, during the course of repairing a defective unit, additional problems are found that would increase the cost of repairs to an amount beyond the established limits for repairs, Contractor may claim reimbursement for incurred costs related to the repair in addition to those costs associated with the replacement of the heating/cooling appliance.
  - ii. Dwellings in which a single appliance has been both repaired and replaced within the same Weatherization and/or ECIP EHCS component, or under a reweatherization call-back, Contractor may claim reimbursement for both the repair and the replacement of the appliance. Contractor shall report the single appliance as both a repaired and replaced appliance.

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- iii. For multi-unit dwellings with a common water heater, Contractor may claim reimbursement for only one water heater. Contractor may claim reimbursement for the actual number of water heater blankets used to wrap the common water heater. Contractor shall prorate the cost among all dwelling units within that building envelope.
  - iv. Duct repairs and replacements can only be charged to ECIP EHCS when provided in conjunction with emergency heating/cooling services performed under EHCS.
- f. Other Program Costs
- i. Permit and Disposal Fees

Permit, HERS rater, and disposal fees are acceptable expenses and may be charged only once to ECIP EHCS, or LIHEAP Weatherization, or DOE Weatherization, per appliance or weatherization measure, per weatherized dwelling. Permit and disposal fee reimbursement includes crew member, subcontractor, or other personnel staff time and will be reimbursed based on the actual cost of the fee and actual labor hours.
  - ii. Travel

Contractor shall be credited one round trip travel surcharge for any one dwelling weatherized or any one dwelling receiving assessments and diagnostic testing where weatherization services could not be provided due to client refusal or inability to gain access to the dwelling. Contractor may claim mileage reimbursement for travel to Single Family Dwelling (SFD) and Multi-Unit Dwelling (MUD) Units in which travel exceeds a distance of 30 miles (one way) from Contractor's material storage site or headquarters. Contractor shall maintain records and source documentation in such a manner to substantiate mileage claims by individual dwelling weatherized. The following defines the conditions for mileage reimbursement applicable to dwellings weatherized:

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- (a) Single Family Dwelling (SFD)
  - (i) Contractor may claim one travel surcharge equivalent to one (1) labor hour plus \$18.00 for each completed, weatherized SFD Unit.
  - (ii) For SFD Units in excess of 30 miles (one way) from Contractor's material storage or headquarters, Contractor may claim mileage in addition to the SFD travel surcharge for each completed, weatherized SFD Unit. Contractor may claim mileage at a rate of \$.91 per mile for each mile in excess of 30 miles (one way) or 60 miles round trip. Mileage reimbursement is limited to a single round trip, per completed SFD Unit; and Contractor may only claim the travel surcharge, fuel surcharge, and mileage reimbursement upon the completion of the SFD Unit.
- (b) Multi-Unit Dwelling (MUD)
  - (i) Contractor may claim one MUD travel surcharge of \$8.50 for each completed, individual, weatherized unit within a MUD complex.
  - (ii) For MUD Units in excess of 30 miles (one way) from Contractor's material storage or headquarters, Contractor may claim mileage in addition to the MUD travel surcharge. Contractor may claim mileage at a rate of \$.91 per mile for each mile in excess of 30 miles (one way) or 60 miles round trip. Mileage reimbursement is limited to a single round trip per day, for travel to a MUD regardless of the number of individual completed units.
  - (iii) All other travel-related expenses not directly related to the weatherization of dwellings are subject to reimbursement as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1. Travel and Per Diem.

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(c) Lodging and Per Diem

Contractor may claim reimbursement for lodging and per diem related to the installation of weatherization measures subject to travel and per diem rates as described in EXHIBIT D, SPECIAL TERMS AND CONDITIONS, Section 1, Travel and Per Diem.

iii. Overhead

All overhead costs shall be charged at actual costs to the appropriate monthly expenditure reporting line items. All other overhead costs without a reporting line item shall be included in the approved labor rate.

iv. Post-Weatherization Inspections

Contractor shall ensure that a total of twenty five percent (25%) Post-Weatherization Inspections have been completed and that Contractor has not exceeded the maximum reimbursement amount allowable of twenty five percent (25%) of the total weatherized dwellings per reporting period.

v. Clearance Inspections

Should a clearance inspection be required, Contractor shall defer the costs of the clearance inspection to the property owner and/or local housing authority. However, in those instances where the property owner and/or the local housing authority are unable to incur the costs of the clearance inspection, Contractors may seek a waiver allowing the cost of the inspection as a reimbursable activity. Waiver requests will be treated on a case-by-case basis and must be approved by CSD prior to beginning weatherization services. A copy of the clearance inspection must be placed and maintained in the client's file.

- g. When the total reimbursement for a measure is contracted under a non-CSD program and the reimbursement is intended to cover the entire costs of the contracted service, then all related costs associated with the installed measure shall be charged to that non-CSD program. Additional costs to facilitate or to offset cost



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deficits for the measure shall not be charged to CSD energy programs.

5) Dwelling Status

a. Completed Units

- i. Contractor shall not report a weatherized dwelling as completed nor shall Contractor request reimbursement for a weatherized dwelling until all weatherization measures identified during the dwelling assessment have been installed and completed. Contractor shall not bill for incomplete units or prematurely close a unit with outstanding measures in order to receive reimbursement for work completed. If there are measures found to be nonfeasible by crew members after the initial assessment, the reason for the nonfeasibility shall be documented in the client file and the dwelling shall be considered completed.

- ii. Contractor shall not report a dwelling as weatherized nor request reimbursement prior to the quality assurance certification confirming quality and completeness of work performed upon weatherized and EHCS dwellings.

iii. ECIP EHCS

Dwelling units receiving services under ECIP EHCS may be reported as completed and billed immediately upon the completion of ECIP EHCS and regardless to the completion of other weatherization measures installed within the same dwelling.

b. Unweatherized Dwellings

- i. Contractor may claim reimbursement for outreach and intake for each eligible unit not previously weatherized. Additionally, Contractor will be allowed to claim reimbursement when a safety check of combustion appliances reveals safety hazards that preclude installation of measures.
- ii. Contractor may claim reimbursement for weatherization activities as documented on the Weatherization Building Assessment and Job Checklist (CSD 540) or Contractor's equivalent for each eligible household not previously weatherized.

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c. Previously Weatherized Dwellings

If the previous weatherization was performed under a nonfederal program or under this Agreement, the occupant eligibility must be certified; therefore, Contractor may claim outreach and intake costs.

d. Leveraging with Non-Federal Funding

Contractor may perform services and install energy conservation measures as per this Agreement and in accordance with requirements of another non-CSD funding source concurrently in the same dwelling as feasible and in the best interest of the client; however:

- i. Contractor may not claim duplicate reimbursement for the same services performed and energy conservation measures(s) installed under a CSD program with a non-federal program.
- ii. Contractor may not split Single Quantity Fixed Fee Measure under LIHEAP with any other funding source.
- iii. Contractor may not split LIHEAP or ECIP EHCS labor fees associated with a single measure with any other funding source.
- iv. Contractor may claim reimbursement for outreach and intake only once when DOE and LIHEAP funds are used concurrently in the same unit.

E. Severe Weather Energy Assistance and Transportation Services (SWEATS)

Reimbursement shall be in accordance with the SWEATS Policy, EXHIBIT F, ATTACHMENT II, when specifically authorized by CSD.

5. REPORTING REQUIREMENTS

A. Federal Funding Accountability and Transparency Act Reporting (FFATA)

CSD may issue guidance and/or Amendment(s) to this Agreement, establishing additional reporting requirements as necessary to ensure compliance with the Federal Funding Accountability and Transparency Act (FFATA) or other Federal and State regulations, as applicable.

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**B. Monthly Reports**

- 1) Contractor shall submit to CSD Contractor's expenditures and activities (excluding ECIP Fast Track and HEAP Electric and Gas) by entry into the web-based, Expenditure Activity Reporting System (EARS). The monthly reports shall be submitted on or before the fifteenth calendar day following the reporting period, irrespective of the level of activity or amount of expenditure in the preceding period.
- 2) Expenditures for Assurance 16, Intake, ECIP WPO, ECIP EHCS, SWEATS, and HEAP program costs shall be reimbursed through the LIHEAP Monthly EHA 16 Expenditure/Activity Report via EARS.
- 3) Expenditures for Weatherization shall be reimbursed through the LIHEAP Monthly Weatherization Expenditure/Activity Report via EARS.
- 4) All adjustments, if any, must be reported through EARS under the report period in which the expenditures occurred.
- 5) Contractor shall also submit to CSD the physical addresses for recipients of services under LIHEAP Weatherization, ECIP EHCS, ECIP WPO, and HEAP WPO for the monthly period in which the service activity occurred and reimbursement for the service activity is requested.
  - a. Contractor shall submit the monthly reporting of client service addresses separately from the EARS monthly activity/reimbursement reporting by completing the CSD 767, Monthly Service Address Report.
  - b. The report shall be sent electronically to the CSD Help Desk at [SART@csd.ca.gov](mailto:SART@csd.ca.gov) on or before the fifteenth calendar day following the reporting period in which direct service activity occurs.
  - c. The monthly EHA 16 Expenditure/Activity Report and the monthly Weatherization Expenditure/Activity Report will not be processed until CSD has reviewed and approved the Monthly Service Address Report.

**C. CSD Review**

- 1) CSD shall review Contractor's monthly reimbursement/activity reports and evaluate Contractor's performance related to program and fiscal operations and its demonstrated ability to effectively utilize all funds available under this Agreement.

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- 2) The issuance of other CSD contracts, including reimbursement payments to the Contractor, shall be contingent upon timely receipt of the required reports and/or compliance of material requirements of this Agreement.

**D. Close-out Report**

Contractor shall submit on appropriate CSD forms, a close-out report, verifying all actual, allowable, and allocable costs earned during the term of this Agreement. Administrative costs, outreach, intake, and training and technical assistance shall not exceed the maximum allowable amounts. Administrative and Assurance 16 costs shall remain proportionate to the cumulative allowable program expenditures. Any administrative and Assurance 16 costs that exceed these limits shall be disallowed and returned to CSD within 90 calendar days after expiration of this Agreement. Subsequent payments, including advance payments, for LIHEAP or other CSD contracts shall also be contingent upon timely receipt of the close-out report of this Agreement.

- 1) The close-out report shall include the following forms:
  - a. Close-out checklist with authorized signature (CSD 733);
  - b. Excess Income/Interest Earned Reconciliation Report (CSD 733F);  
and
  - c. Equipment Inventory Schedule (CSD 733G).
- 2) Excess Income/Interest-Earned and Expended

Contractors shall use a CSD 733F, LIHEAP Excess Income and Interest Earned Close-out Reconciliation, to report actual costs, excess income and/or interest income earned and expended. Pursuant to CCR § 100840, any excess income generated as a result of actual costs being less than the fixed rate shall be used by the Contractor for any valid low-income energy assistance/weatherization activity in accordance with LIHEAP statutory and regulatory limits on expenditures subject to the maximum allowable limits for administrative costs, outreach, intake, and training and technical assistance. Upon request from CSD, Contractor shall provide an expenditure plan or other relevant information that demonstrates the allowable use of such excess income and/or interest income. Excess Income/Interest earned and expended are subject to the expenditure and reimbursement guidelines for the program year in which expenditures occur.

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- 3) Any weatherization materials purchased with the funds under this Agreement and remaining at the expiration of this Agreement shall be credited against Contractor's weatherization materials expenditures under this Agreement and charged to whatever other weatherization program Contractor may have in effect. If Contractor has no other weatherization program in effect, the State shall be contacted for disposition instructions.

6. ATTACHMENTS TO THE CONTRACT

The following documents are hereby attached to this Exhibit. Contractor shall complete the forms in Attachments I, II, and III and insert them into this Agreement upon execution of this Agreement, pursuant to Section 2.A. above.

- |    |                |   |
|----|----------------|---|
| A. | Attachment I   | 2010 LIHEAP WEATHERIZATION BUDGET<br>(CSD 557D) and Instructions; |
| B. | Attachment II  | 2010 LIHEAP EHA-16 PROGRAM BUDGET<br>(CSD 537E) and Instructions; |
| C. | Attachment III | 2010 LIHEAP NONCONSIDERATION ALLOCATIONS<br>(CSD 516);            |
| D. | Attachment IV  | REIMBURSEMENT RATES FOR WEATHERIZATION<br>AND EHCS ACTIVITIES.    |